



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 16, 2008
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3524 – HOPE VI Improvement and Reauthorization Act of 2007

(Rep. Waters (D) CA and 8 cosponsors)

The Administration is strongly committed to providing safe, decent, and affordable public housing to those citizens least able to care for themselves and recognizes the contribution made by the HOPE VI program toward the revitalization of public housing. However, because the program has proven over time to be less cost-effective and efficient than other public housing programs, the Administration strongly opposes H.R. 3524, the HOPE VI Improvement and Reauthorization Act of 2007.

HUD has awarded \$5.8 billion in HOPE VI Revitalization funds to public housing agencies through the end of 2007. While the majority of the funds have been used to promote neighborhood revitalization, \$1.3 billion remains unspent. The program's complex planning and redevelopment process has resulted in significant delays in the execution and completion of projects, with the average HOPE VI project taking 7 years to complete. Additionally, some public housing authorities lack the capacity to properly manage their redevelopment projects. The Administration believes that sufficient program funds remain available to allow HUD to properly oversee the completion of existing HOPE VI redevelopment projects but does not believe that additional funds should be authorized or appropriated for this program. Indeed, the last five Administration Budgets have proposed to terminate the program in favor of more efficient and cost-effective programs. The Administration's first priority is to place HUD's principal programs, housing approximately 4 million low income households, on sure footing. In fact, the President's FY 2008 Budget proposed approximately \$28 billion for that priority.

The Administration also strongly opposes provisions of H.R. 3524 that mandate one-for-one replacement of any public housing unit that is demolished or disposed of under the HOPE VI program. It is not feasible in many communities to provide mixed-use development, including one-for-one replacement of public housing units, on the location of the demolished public housing project. Further, acquisition of additional land in the surrounding neighborhood for use in implementing a one-for-one replacement strategy may not be possible. Even if such land were available, costs to acquire and develop it would be expected to increase the cost of each HOPE VI unit.

* * * * *